Amendments to the Claims

Please replace the original claim set with the following replacement claim set.

1.   (Currently Amended) A computer-implemented method for activating a software product and installing the software product on a computer, comprising the steps of:

obtaining a local license from a storage medium of the software product and storing the local license with the software product on the computer by inputting a product key and obtaining the local license, wherein the local license allows for one of a plurality of license types to be activated from the software product;

determining a license type and an installation ID for the software product, wherein the installation ID comprises a product ID (PID);

transmitting the installation ID to an activation authority;

at the activation authority, determining whether the PID has been used to activate the software product before and determining the type of backend license to grant; and

transmitting a backend license to the computer and storing the backend license on the computer.

2. Cancelled

3. (Original) The method of claim 2 wherein the product key comprises a channel ID and wherein the storage medium is searched for the corresponding local license corresponding to the channel ID.

4. (Currently Amended) The method of claim 3 wherein the local license comprises a MSIID vendor installation ID, a channel ID range for each supported license type, a license type for each channel ID range, and an optional product expiration date for the license type.

5. (Currently Amended) The method of claim 4, wherein the license type is determined by searching for the product key's channel id in the local license's channel ~~id~~ ID range.

6. (Original) The method of claim 5 wherein the installation ID further comprises a hardware ID (H/W ID) describing the hardware of the computer.

7. (Original) The method of claim 6 wherein the activation authority uses the channel ID to determine the type of backend license to grant.

8. (Currently Amended) A method for activating a software product on a computer comprising a plurality of hardware components, comprising the steps of:

   receiving a product key that identifies the software product;

   generating a product ID (PID) from the product key and a backend product code (BPC) in the software product, wherein the PID comprises a channel ID indicating the commercial channel of the software product;

   installing on the computer a local license file comprising a plurality of activation rules for the software product comprising a channel ID range used to determine whether the software product needs to be activated based on the channel ID;

   determining whether the software product needs to be activated based on the channel ID;

   if so, then generating an installation ID from the PID and a representation of the plurality of hardware components of the computer;

   transmitting the installation ID to an activation authority; and

   receiving from the activation authority a backend license allowing the software product to fully operate on the computer.

9. (Cancelled)

10. (Original) The method of claim 8 wherein the backend license grants the user perpetual or temporary rights to use the software product.

11.   (Original) The method of claim 9 wherein the BPC is used to verify the backend license from the activation authority.

12. (Cancelled)